

SUMMARY OF BUSINESS OPPORTUNITY

NATURE OF BUSINESS AND SERVICES PROVIDED

This business opportunity is for operation of two backcountry chalets providing lodging and food services within Glacier National Park (the “park area”) under concessions contract with the National Park Service. This business has been conducted since 1913/1914 excluding interruptions during WWII and the early 1990s when the chalets were closed for repairs. Since the mid 1990s Granite Park Chalet has operated as a backcountry hotel with common kitchen used by guests to prepare their own meals. Sperry Chalet operates as a backcountry hotel with full meal service provided by the Concessioner with ala carte food services available to day hikers. The existing Concessioners, *Belton Chalets and Glacier Wilderness Guides*, have their bases of operation (office, warehouse, etc.) outside of the park area. Average annual park visitation is around 1.7 million. The chalets host approximately 4,000 overnight guests and approximately 10,000 day users each season. The chalet operating season extends from July to early September. The annual gross receipts of the existing Concessioners are approximately \$430,000 for the two chalets.

PREFERRED OFFEROR DETERMINATION

The Director has determined that this is a qualified contract and a preferred offeror does exist pursuant to the terms of 36 CFR Part 51.36. The preferred offeror is Belton Chalets. Gross receipts are anticipated to be less than \$500,000. However, all interested parties, including the Concessioner as the preferred offeror, must apply and submit a responsive proposal in response to the prospectus.

CONCESSIONER ASSIGNED ASSETS

The Concessioner will be assigned facilities at two backcountry chalets within Glacier National Park (see Exhibit C and D of the Draft Contract). These facilities built in the early 1900’s contain no compensable value to an existing Concessioner. There will be no leasehold surrender interest in either facility.

CONTRACT TERM

The Draft Contract will be issued for a ten (10) year term anticipated to begin January 1, 2005.

FRANCHISE FEE

A minimum annual franchise fee that equals 3% of the Concessioner’s gross revenue will be required, the final franchise fee will be determined in accordance with the terms of the prospectus.

RATES

Rates for visitor services that may be charged by a Concessioner are primarily based on comparisons with like services provided by the private sector, under similar circumstances and in the same general geographic region. Rates must be approved in advance by the Superintendent



of Glacier National Park. The current approved rates for the services provided by the Concessioner are contained in the Business Opportunity on page 9.

This summary is provided as a ready reference of key points for interested parties. It does not modify the prospectus. The business opportunity is fully described further in the prospectus.

